

BA-BHAAI1022U Principles of Macroeconomics**2023/2024****English Title**

Principles of Macroeconomics

Language English**Course ECTS** 7.5 ECTS**Type** Elective**Level** Bachelor**Duration** Summer**Start time of the course** Summer**Timetable** Course schedule will be posted at calendar.cbs.dk**Min. participants** 30**Max. participants** 100**Study board** Study Board for BSc in Economics and Business Administration**Course coordinator**

- Annaïg Morin - Department of Economics (ECON)

For academic questions related to the course, please contact course responsible Annaïg Morin (amo.eco@cbs.dk)

Main academic disciplines

- Economics

Teaching methods

- Face-to-face teaching

Relevant links[Programme Regulations](#)[Rules and regulations for exams at CBS](#)**Learning objectives**

To achieve the grade 12, students should meet the following learning objectives with no or only minor mistakes or errors:

- Explain basic macroeconomic terminology in a comprehensive way.
- Describe and explain the assumptions and mechanisms of the main macroeconomic models (e.g. the IS-LM model and the IS-LM-PC model). Illustrate these models graphically and solve them algebraically.
- Describe how output is determined in the short run and the medium run. Explain how output is affected by shocks.
- Describe the main determinants of other important macroeconomic variables such as inflation, unemployment, real wage, interest rate, etc. Explain how these macroeconomic variables are affected by shocks.
- Perform policy experiments (e.g., changes in government spendings or changes in money supply). Interpret the mechanisms verbally and graphically, and solve algebraically.

Course prerequisites

None

Examination**Principles of Macroeconomics:**

Exam ECTS

7.5

Examination form

Written sit-in exam on CBS' computers

Individual or group exam

Individual exam

Assignment type

Written assignment

Duration
Grading scale
Examiner(s)
Exam period
Aids

4 hours
7-point grading scale
One internal examiner
Summer
Limited aids, see the list below:
The student is allowed to bring

- Any calculator
- Language dictionaries in paper format

The student will have access to

- basic IT application package

Read more here : [Exam aids and IT application packages](#)

Same examination form as the ordinary exam
The number of registered candidates for the make-up examination/re-take examination may warrant that it most appropriately be held as an oral examination. The programme office will inform the students if the make-up examination/re-take examination instead is held as an oral examination including a second examiner or external examiner. The 1st retake is the same as the ordinary exam - i.e. 4 hours written exam.

Make-up exam/re-exam

Course content, structure and pedagogical approach

Course content:

The aim of this course is to provide students with an introduction to macroeconomics. The course focuses on the behavior of the economy in the short-run and middle-run, specifically looking at the goods market, the financial market and the labor market. The course is designed to help students understand how these markets operate, how they interact with each other, and how they are impacted by shocks and macroeconomic policies.

Why do economies expand sometimes, raising employment and living standards, and shrinking at other times? What is a recession? What happened in 2008–09 when the world economy was hit by the worst recession since the Great Depression of the 1930s? How did government policy respond to the crisis and was this response effective?

More generally, which shocks affect macroeconomic activity? How do these shocks affect output, employment, investment, or consumption? Can government policies make economies grow or stop them from shrinking? Why do we have inflation? Is inflation a bad thing? Is there anything we can do to reduce inflation? Why do we have unemployment? Do policies to reduce unemployment work?

These are some of the central questions that fascinate macroeconomists. If you are curious about how macroeconomists look at the world around them, how they model it, and how this helps answering the questions you just read, then this is the course for you.

Pedagogy:

The course will mainly consist of general lectures that will present and explain macroeconomic concepts and models. Each mechanism presented in class will be embodied in a simple analytical framework to facilitate understanding of the underlying logic. Moreover, graphs will be used extensively to build intuition.

Description of the teaching methods

The course will be taught in person.

Feedback during the teaching period

In-class problem solving activities, case studies, and polling sessions will take place regularly during the lectures.

Student workload

Preliminary assignment	20 hours
Classroom attendance	38 hours
Preparation	121 hours
Feedback activity	7 hours
Examination	20 hours

Further Information

3-week course that cannot be combined with any other course.

Preliminary Assignment: The Nordic Nine pre-course is foundational for the summer university and identical for all bachelor courses. Students will receive an invitation with all details by the end of May. The assignment has two parts. 1.) online lectures and tutorials that student can access at their own time and 2.) one synchronous workshop which will be offered both online and in-person at several dates and times before the official start of the summer university courses. Sign-up is first come first serve. All students are expected to complete this assignment before classes begin.

Expected literature**Mandatory readings:**

Blanchard O., *Macroeconomics* (8th Edition, Global Edition),

Last updated on 22/11/2023